



SECRETARY OF THE ARMY
WASHINGTON

MEMORANDUM FOR SEE DISTRIBUTION

24 MAR 2015

SUBJECT: Designating Preferred Sources for Consideration Across the Army Enterprise

1. References:

a. Memorandum M-13-02, Office of Management and Budget, December 5, 2012, subject: Improving Acquisition through Strategic Sourcing.

b. Department of the Army Charter for Strategic Sourcing Governance, 5 September 2013.

c. Memorandum, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), 10 Sep 2013, subject: Improving Acquisition through Strategic Sourcing.

2. I established the Strategic Sourcing Executive Committee (SSEC) to set strategic vision, direction and priorities; identify existing and future strategic sourcing initiatives; and ensure these solutions are used to the fullest extent possible. Consistent with reference 1a and the Army's vision for strategic sourcing, the SSEC will oversee policies for the designation and use of Governmentwide and agencywide contract vehicles as preferred sources.

3. The intent of the preferred source process is that Army requiring activities will assess and leverage, where appropriate, existing and emerging contracts as part of their market research and business case analysis before initiating a new contract for covered supplies and/or services. The overall use of this important strategic sourcing initiative generally reduces acquisition leadtime, drives commonality and standardization, and leverages pricing while reducing duplication and administrative contracting costs.

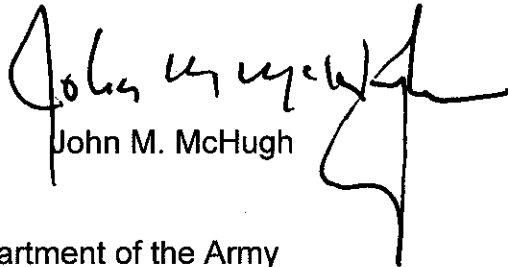
4. An existing contract vehicle may be designated as a preferred source through the demonstration of Armywide utilization, elimination of contract duplication and cost savings or efficiencies. An opportunity assessment of emerging contract vehicles, using the same criteria, will be presented to the SSEC for consideration. The SSEC will recommend candidate contract vehicles to the Deputy Assistant Secretary of the Army (Procurement) for designation as preferred sources. Upon such designation, Army requiring activities will assess whether the preferred source is an appropriate vehicle for meeting their requirements. When a requiring activity determines that use of a potentially applicable preferred source is not appropriate, the project lead for the

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requiring activity will document the rationale in a memorandum or acquisition strategy addressed to the supporting contracting activity, with a copy furnished to the Army's Senior Services Manager.

5. Proponents for contracts designated as preferred sources will brief the SSEC annually or as required on cost savings and efficiencies. The SSEC will review the effectiveness of designated preferred sources annually or as required based on cost and performance metrics to determine whether contracts should retain preferred source status. In addition, the SSEC will promote use of preferred sources on an enterprisewide basis.

6. The Office of the Deputy Assistant Secretary of the Army (Procurement), Senior Services Manager points of contact are Lafonda Smalls, 703-617-0397, DSN 767-0397 or lafonda.j.smalls.civ@mail.mil; and Harold Williams, 703-617-0422, DSN 767-0422 or harold.e.williams1.civ@mail.mil.


John M. McHugh

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